

Agricultural Situation

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FARM CATTLE NUMBERS DOWN FIRST TIME SINCE 1949

A reduction of 1.6 million head in number of cattle on farms this January is the big news in the current cattle outlook. All trends, even upswings in the cattle numbers cycle, eventually come to an end.

What does that mean to the cattle-man? It's a complex story but with a little patience we can read it.

The cullback was the first since 1949. In between, numbers had risen from 76.8 million to their last year's high of 96.8 million. During that time, cattle and calf slaughter increased 35 percent.

Output of beef advanced 53 percent. Consumption per person moved up to successive new highs—topping 84 pounds last year. Prices of beef and of cattle plummeted, especially in 1953.

Lower numbers hold promise of a brighter future. However, changes will probably be slow. Numbers were reduced because of drought in the West. Until drought distress is relieved, slaughter rates will not go down much nor prices go up much, either in the dry area or elsewhere.

Kansas had the sharpest decrease, with 13 percent less cattle this year than in 1956. Among other drought States, Texas had a 9 percent cut; New Mexico, 7 percent; Oklahoma, 6 per-

cent; South Dakota, 5 percent; Nebraska, 4 percent; and Colorado, 1 percent. These States plus Montana and North Dakota accounted for most of the national decline in cattle. Regions outside the Great Plains, considered as a whole, increased cattle numbers about 1 percent.

In the Southeast, where cattle production has increased fastest since 1949, numbers have not yet turned down. However, their further rise this January was small. Likewise, the Corn Belt, except for its dry western fringe, has maintained its cattle numbers.

Reductions appeared this January in both milk and beef cattle and in both young and old stock. Milk cow numbers were off 1 percent, beef cows, 2 percent. The total cow herd is more than 1 million head below its high of 1955. This drop gives promise of a reduced beef output and stronger prices in years ahead.

Calf and steer inventories—which affect this year's slaughter rate—are down about 500,000 or 2 percent but are still very large. More cattle and calves—4 percent more—are on feed.

Consequently, the longer-range promise of improved prices will not be fulfilled immediately. Prices of beef cattle have been a bit higher than last

year and may average as high the rest of the year. Prices of fed cattle, while probably advancing slowly, are unlikely to rise sharply in summer as they did last year. Slaughter rates and price trends will continue to depend partly on the factor that has been so significant lately—weather.

In all previous cycles, once cattle numbers started down they continued downward for several years. Probably the same thing will happen in this one. However, since the reduction is confined to one region, demand for beef is still strong, and feed grain supplies are ample—for the nation as a whole—the total decrease may be considerably less than usual.

The other prevailing livestock trend—a decrease in sheep numbers—has not yet ended. The stock sheep count was off 642,000, or 2 percent. Numbers have been going down since 1952, except for a slight rise in 1955.

Sheep numbers generally increased in the East. Sizable gains were recorded also in the Northern Plains States of Kansas, Nebraska, South Dakota, and North Dakota. Texas had another big decrease. The Mountain and Pacific West reduced numbers 2 percent.

The number of lambs on feed this January was 5 percent above a year earlier.

Fewer hogs were on farms this January. Much of the reduction was in barrows and gilts for early 1957 slaughter.

This showed up in a January-February slaughter around 15 percent less than a year before. Numbers of fall pigs on hand for spring and summer slaughter are down by a much smaller percentage.

Thus, while slaughter rate for hogs will remain below last year, the difference from a year ago will narrow.

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

Prices, though fluctuating seasonally, will probably stay somewhat above 1956 levels—at least until near the end of this year.

Horses and mules are still disappearing. In 1918, there were 26.7 million. Now there are 3.5 million.

Chickens on farms (excluding commercial broilers) totaled 393 million birds this January, 3 percent more than last year.

Pullets were up 5 percent and hens down 2 percent. Turkey numbers were 17 percent greater this year. The increase for turkey breeder hens was 12 percent.

Harold F. Breimyer
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SEED SUPPLIES

Relatively plentiful for normal domestic demand—alfalfa, alsike clover, Ladino clover, ryegrass, tall fescue, and most lawn grasses.

Close to normal domestic needs—red clover, sweetclover, white clover, lespedeza, orchardgrass, redtop, and Sudangrass.

In short supply—in general, those seeds in demand for dry land areas; in particular, crested wheatgrass, brome grass, and practically all range grasses. Timothy is also in short supply.

Retail prices of most seeds are relatively high. Drought has made reseeding a major necessity in a number of States west of the Mississippi River but farmers in these States are reluctant to risk planting seed in dry soil.

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Should You Change Your Crop Plans?

Farmers: Want to get an idea of what other growers intend to plant in 1957?

You can by reading "Prospective Plantings for 1957," issued March 18 by your Crop and Livestock Reporting Service of the U. S. Department of Agriculture.

What It Does

Maybe you've heard of this as the "March Intentions Report." The name isn't so important as what it does. It will show you how many acres other farmers planned, about March 1, to plant in corn, spring wheat, oats, barley, flaxseed, rice, sorghums, potatoes, sweetpotatoes, tobacco, dry beans and peas, soybeans, peanuts, hay, and sugar beets.

These 16 principal spring-sown crops account in a normal year for 75 to 80 percent of all crops grown in this country. So, whatever your crops, wherever you live, this report is important to you.

Approximately 80,000 farm men and women throughout the country made this report possible this year by filling out the card questionnaires mailed them by State agricultural statisticians. In analyzing reports, the Crop Reporting Board took into consideration the probable effects of various farm programs. These include the Soil Bank and acreage allotment and marketing quota programs for six basic commodities: Corn, wheat, tobacco, cotton, rice, and peanuts.

The report is issued early enough each year so that you can change your own planting plans if you decide it would be wise to do it.

Of course, farmers who fill out the questionnaires may change their minds, too, about their planting plans when they read the finished report. Then there is the weather to consider—price changes—labor supply—financial conditions—changes in agricultural programs. All these factors may affect the actual acreage of any crop.

Nonetheless, over the 34 years that "Prospective Plantings" has been is-

sued, it has been an excellent indicator of the general trend in crop acreage each year.

It can help you in other ways, too.

For example, you can use it to decide whether you want to increase your storage facilities. Maybe, after reading it, you will make up your mind that you want to sell present stocks. Or you may decide to hold them for a possible price rise.

If you received the questionnaire, you will also get a copy of "Prospective Plantings." If you did not get the questionnaire, you can, nevertheless, obtain the report, free of charge. Just write to your State agricultural statistician.

Charles E. Burkhead
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DARK TOBACCO ALLOTMENT CUT

Acreage allotments in 1957 for growers of dark air-cured tobacco are reduced 15 percent below 1956 figures in most cases. For fire-cured, Connecticut Valley binder and Maryland tobaccos, 10 percent in most cases.

Supplies of dark air-cured and fire-cured are considerably in excess of requirements. Domestic use of Maryland tobacco declined somewhat in the last year or two and supplies are the second largest on record. Demand for natural cigar binder has been reduced by technological developments.

Allotments for cigar filler and binder and Virginia sun-cured are about the same as in 1956. Here supplies are more nearly in balance.

Exports of cigar binder types and Maryland tobacco increased substantially in 1956.

Growers of all these kinds have ratified marketing quotas by referendum. Latest approval (for 1957-59 crops) is by growers of two cigar tobacco kinds. They are 51-52 in the Connecticut Valley and 42-44 and 54-55 mainly in Ohio and Wisconsin. Favorable vote in the first group was 98 percent and in the second group 94 percent.

"Bert" Newell's Letter

There was the fellow who liked to butt his head against a stone wall because it felt so good when he stopped. We have used that term, "butting your head into a stone wall," for a long time to characterize a situation that we can do nothing about. We regard the fellow who worries himself sick over it as a little balmy, or at least lacking in common sense.

Every once in a while we seem to run into a wall that is a little discouraging. I am thinking about mental walls that some people seem to build up around themselves. They won't do this or that, or they make up their minds that a person is a so-and-so and—you know the kind—stubborn cusses that cannot be dented with any amount of fact or logic.

Walls, of course, can be very useful and necessary. In early times, men built walls around their homes, their communities, and later their cities, for protection against enemies. But the builders always provided portholes or watch towers so that the people inside could see what was going on outside and admit friends and exclude enemies.

We often build retaining walls to support a bank of earth and we think of them as very solid structures. But even these must provide vents to allow moisture to drain off or otherwise the frost will eventually rupture the wall from within.

Some mental walls are also necessary. We might call them principles, such as honesty, right living, and charity. These walls should be strong and permanent. But they, too, must provide ports, or openings, through which we can always admit good ideas and new thoughts and close them tight against dishonesty, deceit, and selfishness.

The most dangerous wall is the one that is built on prejudice or ignorance. These walls provide no opening and are

like a retaining wall without vents. They will collapse some day, not because balmy guys like me butt them down, but because the pressure will become so great from within it will blast them apart. This frequently hurts the individual behind the wall more than anyone else.

Not very often, thank goodness, but once in a while we do run into a situation where individuals seem to have built an impregnable wall around themselves. By their actions they seem to assume that they are sufficient unto themselves and no matter how you try you can't seem to get them to look beyond their own short nose. In these days and times, ideas like that can only lead to one thing, and that is—disaster.

In one community a man who was supposed to be educated made the comment to our State Statistician that crop reports were "for the birds." He certainly has no porthole in his mental wall and I will predict that he will end sooner or later like another farmer in another community I know about.

This man got up in a farmers' meeting and told the group that he had for a time thought that he could paddle his own canoe and refused to pay attention to the information which the county agent had provided him from the crop reports or other sources. He said that he had to lose his shirt before he came to his senses. When he did he became successful because he paid attention to what was going on in other areas producing crops in competition with his own.

Build yourself good strong walls, but be sure they are the right kind. Put a good-sized lookout tower on top so that you can see what is going on outside and admit those things which will assist you in carrying out your plans.

A. R. Newell

S. R. Newell
Chairman, Crop Reporting Board, AMS

Outlook

Wheat

The rapid rate that exports are moving out points to a 1956-57 export total of 450 million bushels, over 100 million bushels more than last year. This would mean stocks next July 1 would be reduced about 50 million bushels. This would be the first significant cut since 1952.

Tobacco

Farmers received the highest average price on record for the 1956 burley crop—63.6 cents per pound. This is 8.5 percent above a year earlier. Sharp gains were made in prices of heavier-bodied leaf and tip grades. The top cigarette grades held at about last year's levels.

Feed

Total supplies of feed grains available for 1956-57 are a record 174 million tons because of record per acre yields for corn and barley, plus large carry-over stocks, even though the feed grain acreage harvested was down 10 percent from 1955. Domestic use and exports this marketing year may be a little less than in 1955-56. Total carryover of stocks into next season is expected to be around 15 percent above this season and a new record.

In mid-February, prices of oats, barley and sorghum grains were higher than a year ago despite a decline in the first half of the month. Prices for No. 3 Yellow Corn in Chicago were near the seasonal low of October 1956.

Flaxseed

The 1956 crop of about 49 million bushels was second largest on record and considerably above domestic needs. About 17 million bushels are available for export, delivery to CCC, or addition to commercial stocks. Exports are likely to be down because of increased supplies abroad. The season's average price to farmers is estimated at \$3.02 per bushel, 7 cents under support.

Cotton

Exports are rising sharply during the current marketing year. The total is expected to be about 6.5 million bales, compared with 2.2 million in the previous season. On the other hand, use of cotton in this country is lagging behind 1955-56. Total for this season is expected to be about 200,000 bales below last year's 9.2 million.

Wool

Prices have been rising fairly steadily, both here and abroad, since the current marketing season began last April. Mid-February average to farmers was the highest since March 1955. Consumption of wool in the United States and the world has increased the last two years.

Marketing Costs

Food marketing charges probably will be a little higher this year. Costs of processing and distributing a "market basket" of farm-produced foods have been rising 1 to 2 percent annually in recent years. Further increases this year are likely for wage rates and prices for supplies and equipment. Railroads are requesting further increases in freight rates.

Food

Total supplies of food are expected to be close to last year's record. Larger consumption per person is anticipated for turkey, chicken, canned fish, canned and frozen fruits and vegetables, frozen juices, and edible vegetable oils used in cooking, salad oils, and salad dressings. Meat consumption may fall a little, and the downtrend in use of cereal products is likely to continue.

With income at record high level, consumers may spend more than ever before for food, partly because of slightly higher retail prices. Increased purchases of services connected with food also are expected.

DEMAND FOR SOYBEANS GOOD BUT WHAT ABOUT PRICES?

The record 1956 soybean crop—456 million bushels—is meeting a good demand.

Farmers' prices for soybeans averaged \$2.31 per bushel in January. This was 12 cents above a year earlier. It was 16 cents above the 1956 support price. Important factors have been: Heavy export and crusher demand for soybeans; orderly marketing of beans by farmers.

Prices declined to \$2.25 in mid-February, same as a year earlier but still above support.

Export Prospects

The 1956-57 supply exceeds the supply a year earlier by 76 million bushels. However, the United States is maintaining its newly acquired position as the world's leading exporter of soybeans. This year, at least 75 million bushels probably will be shipped abroad. This would be 8 million bushels more than last year and about 16 percent of our total supply.

Bolstering foreign demand are the high levels of economic activity in many parts of the world. Foreign populations are increasing. Standards of living are improving in many countries. Favorable also are volume of sales of edible oils for foreign currency and the ability of several countries to pay dollars for beans.

Strong demand for edible vegetable oils for domestic and export use is encouraging a heavy crush of soybeans. The year's total is expected to reach 325 million bushels, 42 million bushels more than the previous peak. Farmers are likely to use about 30 million bushels for seed and feed.

These figures indicate that the carry-over of beans next September 30, the end of the current season, will be 25 to 30 million bushels. This would be a new high.

On the other hand, stocks of edible vegetable oils are expected to be the

lowest for that date since 1951, but still adequate as a working inventory.

On the plus side is the price outlook for continued strong foreign and domestic demand. Moreover, any soybeans acquired by the Government under the price support program after the May 31 maturity date for loans and purchase agreements won't be sold at less than the domestic market price, or the current price support level at the point of production (plus carrying charges), whichever is higher.

Carrying charges per bushel were announced on February 15 as follows: June 1.5 cents, July 3 cents, August 4.5 cents, and September 6 cents.

In mid-January, farmers had nearly 54 million bushels, 12 percent of the 1956 crop, under loan or purchase agreement. The Department of Agriculture has urged soybean producers to watch soybean market prices during the next several weeks for possible advantageous redemption of price-support loans on 1956-crop soybeans.

On the minus side are: The large supply of oilseed meals; less competition for beans for crushing than last year because of the record supply; the likelihood that any sizable increase in prices would reduce foreign takings.

Season Average Price

The situation indicates that a repetition of the price rise in the last half of the 1955-56 season is unlikely, unless export demand becomes exceptionally strong. The 1956-57 season average price is expected to be near \$2.20 per bushel. This would be above the support price and about the same as last year.

The Department of Agriculture on February 9 announced that 1957-crop soybeans will be supported at a national average price of \$2.09 per bushel, which is 70 percent of the January 15, 1957, parity price. This is 6 cents a bushel less than last year.

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VEGETABLE GROWERS GIVEN USDA ACREAGE GUIDES

Acresage-marketing guides for 1957-crop summer and fall vegetables for fresh use, summer melons, sweetpotatoes, and vegetables for processing have been issued by the U. S. Department of Agriculture. Action by growers is voluntary.

Increases from 1956 acreage (5 percent): Summer sweet corn; sweetpotatoes.

Increases (10 percent): Fall green peppers.

Increases (20 percent): Fall eggplant.

Decreases (5 percent): Late summer cabbage and carrots; fall carrots; early fall cauliflower and celery; late summer cucumbers; early fall spinach; early summer watermelons.

Decreases (10 percent): Early summer carrots; summer cauliflower; late fall celery, cucumbers, and lettuce; late summer onions.

Decreases (15 percent): Fall broccoli; late fall cauliflower; summer spinach; early fall tomatoes.

Same as 1956 acreage:

Summer lima beans; summer and fall snap beans; early summer and fall cabbage; late summer celery; early summer and early fall cucumbers; summer eggplant; early fall lettuce; early summer onions; summer and early fall green peas; summer green peppers; late fall spinach; late summer tomatoes; mid summer and late summer cantaloups; late summer watermelons.

For commodities varying between States for seasonal and subseasonal groups, the recommended 1957 acreage would be the same as 1956 acreage except in the States specifically indicated.

These commodities are: Summer beets, 10 percent less in New Jersey; early summer celery, 20 percent less in California; summer lettuce, 15 percent less in Colorado and California; early summer tomatoes, 20 percent less in California; early summer cantaloups, 20 percent more in Arizona; fall sweet

corn, 10 percent less in Florida; late fall tomatoes, 10 percent less in Florida.

For vegetables used for commercial processing: Snap beans, same as 1956; cucumbers for pickles, 5 percent more; green peas and spinach, 5 percent less; cabbage for kraut, sweet corn, and lima beans, 10 percent less; beets, 15 percent less; tomatoes, 30 percent less in California, and 5 percent less in other States.

POTATO ACREAGE GUIDES LISTED

The Department of Agriculture's summer and fall potato acreage marketing guides for 1957 and Prospective Plantings of potatoes in 1957 are now available to potato growers throughout the country.

While farmers generally have been reducing their acreage in recent years, this reduction has not been great enough to offset the upward trend in average yield per acre. Production, consequently, has exceeded market requirements most of the time.

You, Mr. Grower, can now make the decision that is best for you in whatever State you are living.

Here are the 1957 acreage recommendations compared with 1956.

For the early summer States—a 15 percent reduction in Delaware; unchanged in other States.

For late summer States—15 percent reduction in Wisconsin, Washington, and New Mexico; 6 percent in Wyoming; 4 percent in Minnesota; 2 percent in Rhode Island; 1 percent in Colorado and Oregon; otherwise unchanged.

Fall crop States—15 percent cuts in Idaho, Nevada, Washington; 13 percent in Wyoming; 9 percent in Rhode Island and Minnesota; 8 percent in New York (Long Island); 7 percent in Maine; 5 percent in Indiana and North Dakota; 1 percent in Oregon; otherwise unchanged.

UNITED STATES
DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.
OFFICIAL BUSINESS
AGRICULTURAL MARKETING SERVICE

USE MORE EGGS

Because of abundant egg supplies, USDA has a Special Plentiful Foods Program in March to encourage egg consumption. The USDA program is in cooperation with the poultry industry's "March Egg Month" campaign.

Farmers' Prices

(1910-14=100)

Date	Prices received by farmers	Parity index ¹	Parity ratio
February 1956...	227	280	8
January 1957...	238	292	8
February 1957...	234	294	8

¹ Index of prices paid, interest, taxes and wage rates.

Farmer's Share of Consumer's Food Dollar

January 1956.....	39 percent
December 1956.....	40 percent
January 1957.....	40 percent

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